



Analysis of Factors Affecting on Development of Tourism Services Market

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ABSTRACT

In this article, in-depth analysis of problematic issues in the field of tourism services based on the factors influencing the development of the tourism services market.

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1. Introduction

In the context of ongoing globalization in the world economy, the tourism industry is one of the most actively developing and promising sectors of the economy. According to statistics from the World Tourism Organization (UNWTO), international travel around the world reached 1.5 billion in 2019, a 4 percent increase over 2018. [1] According to the World Travel and Tourism Council (WTCC), the share of the industry in world GDP in 2017 was 10.4 percent or \$ 8.3 trillion. By 2028, this figure is expected reach 11.7 percent or \$ 12.5 trillion, respectively. [2]

Problems related to improving the efficiency of domestic and inbound tourism management in the development of the tourism services market, the study of theoretical, methodological aspects of the assessment of current, intermediate and final indicators of socio-economic efficiency of tourism are not sufficiently studied.

According to the Concept of Tourism Development in the Republic of Uzbekistan until 2025, the main goal of state policy in the field of tourism is to ensure sustainable development of the market of tourism services through the development of domestic, outbound and inbound tourism. As a result of these reforms, the export of tourist services in our country in 2019 amounted to \$ 1.3 billion, which is 26.1% more than in 2018 (\$ 1 billion). [3]

The accelerating processes of globalization taking place in the world today require countries to be able to address important issues through the development of the tourism industry. In this regard, one of the important directions of the ongoing reforms in our country has been identified as one of the most pressing tasks in the development of tourism. In the Address of the President of the Republic of Uzbekistan to the Oliy Majlis, "... the transformation of tourism into a strategic sector of the economy remains a priority for us. One of the most important tasks for the government is to increase the number of tourists visiting our country to 7.5 million this year. [4] Indeed, the rapid development of tourism, which is now an important component of the service sector, is one of the priorities of our economy.

2. Review of literature

The economic significance of the tourism services market is largely based on the multiplier effect, which is widespread in tourism. Irena Andrzejczyk, one of the tourism theorists, said that “one job created in tourism as a result of the multiplier effect will create seven new jobs in other industries and sectors connected through the system of cooperation with tourism.” [5.10-11]

Article 3 of the Law of the Republic of Uzbekistan “On Tourism” defines “tourist services - services for accommodation, catering, transport, excursions and consulting services, as well as services aimed at meeting the needs of tourists and excursionists.”[6]

There are many doctrines and theories that reflect the market of tourism services and its economic essence. In particular, in the textbook "Fundamentals of Tourism" by I.Tukhliev and others, "The market of tourist services is an area that combines supply and demand for the sale and purchase of tourist products, creating a collective economic relationship between producers and consumers of tourism products. As a result, there is a process of monetization (sale and purchase) of tourist services. [7.62-63]

In our view, the tourism services market is the place where the economic relationship between the producer and the consumer of this tourism product arises. Every producer and consumer of tourism products has its own economic interests. The mismatch of interests may result in the non- performance of the act of sale, but if they are consistent, the act of sale of the tourist product shall be effected. The market is therefore a specific tool that satisfies the interests of production and consumers, representing the aggregate of consumers who are interested in the entity's tourism product and who will sooner or later have the funds to purchase it for the dominant tourism entity.

3. Research methodology

The study examined the existing problems and theories affecting the development of the tourism services market. Its development processes in our country were analyzed. Methods of analysis and synthesis, seasonality, comparative evaluation and scientific abstraction were used in the research. Statistical data for 2017-2019 were used in the systematic analysis. Data from the World Tourism and Tourism Council (WTCC), the World Tourism Organization (UNWTO) and the State Statistics Committee of the Republic of Uzbekistan were widely used as statistical sources.

The development of the market of tourism services in the process of integration around the world shows that tourism is one of the most promising areas of the service sector in our country. Also, as the history of tourism development dates back to ancient times, tourism has served to strengthen the bonds of friendship between peoples. In addition, people traveled to explore new lands, see and know the world, develop trade, and establish cultural and diplomatic ties. Uzbekistan plays an important role in this process, as in ancient times the caravans of trade caravans were located at the crossroads of cultures and civilizations.

According to the Concept of Tourism Development in the Republic of Uzbekistan for 2019-2025 [8], the main goal of state policy in the field of tourism is to ensure sustainable development of the market of tourism services based on the development of domestic and inbound tourism.

4. Analysis and results

The tourism service market is considered to be an institution that unites buyers (suppliers) and sellers (suppliers) of tourist services. [9.156] move to the specified location to retrieve. Tourism is characterized by the presence of service market entities, ie. individuals and legal entities that produce and consume tourism products.

The market of tourism services is the result of socio-economic development of the country, the main role of the tourism industry in the national economy and its development is associated with the development of the whole economy. A number of conditions must be met for the formation of a market of tourist services in the national economy. These conditions are: natural-geographical, cultural- historical, organizational-economic and socio- economic (Table 1).

Today, the following natural tourist resources remain attractive for tourists (for example, Tashkent Region or the Fergana Valley, etc.). Even in the face of severe climatic conditions or geographically remote locations, it is not possible to ensure a steady flow of tourists throughout the year, despite the abundance of attractions.

Table 1. Formation circumstances of the market of tourism services

Natural-geographic	Cultural- historical	Organizational- economic	Socio- economic
the natural and geographical location of the country or region	the presence of religious, cultural, historical and attractions	the regulatory framework	the number and composition of the population
availability of natural, non-man-made tourist and recreational resources	availability of new knowledge and cultural values that encourage travel	tax and credit policy	
climatic conditions, the presence of natural		innovation- investment condition	level of income of the population
mountains, rivers and deserts	growth of ecological culture	subsidies and grants, licensing of activities	social security of the regions

Source: Created by the author

Cultural and historical conditions affect the development of tourism in two ways. First, the historical monuments (Samarkand, Bukhara and Khiva) and the natural preservation of the objects serve to provide the destination with an influx of tourists.

Second, the demand for tourism increases the literacy rate of the population, promotes cultural values, increases the population's desire to accumulate new knowledge and interact with other peoples. The next group of conditions is the organizational and economic conditions. The main role here is played by the state. The state will form the legal framework for the tourism industry and the hotel industry. It is the state that creates a favorable tax, financial and credit, innovative investment climate through administrative and economic management methods.

Methods of administrative regulation include the regulation of the activities of enterprises in the tourism and hospitality industry (regulatory framework, licensing, antitrust regulation). On the basis of economic regulation methods, enterprises and all stakeholders are encouraged to operate in the tourism market (taxes and tax benefits, soft loans, subsidies and subsidies, project financing, government orders).

In addition, the state ensures the public safety of enterprises in the industry. Social security in the country or its regions also encourages the development of inbound and outbound tourism. Political instability and low social security in the country lead to a decrease in the flow of tourists, despite the fact that the country and its regions have attractions of world importance. Mutually beneficial organizational and economic conditions in the country and its regions ensure the development of competition and diversification of tourist services.

One of the prerequisites for the formation of the market of tourism services is the socio-economic conditions. The number and composition of the population, the level of income determine the size of the tourist market. Urbanization, lengthening of working hours, transformation of lifestyle into modern urban style have formed a new consumer society and stimulated the formation of demand for different impressions, knowledge and additional services. The result is Engel's law, one of the economic laws of the tourism services market, according to which an increase in income leads to a decrease in the population's spending on basic consumer goods and an increase in the need for spiritual development and luxury (including tourism). [10.176]

Encouraging and limiting factors influencing the development of the tourism services market include the following (Figure 1).

Incentives include demographic, economic, and social factors.

Demographic factors influencing the development of the market of tourist services can include population growth around the world, urbanization, the formation of a stereotype of a mobile lifestyle, the disappearance of language barriers.

International economic factors also play an important role in the development of the market of tourist services, which is reflected in the development of the world economy, the acceleration of scientific and technological progress, income growth, development of the material and technical base of tourism. As a result, there is a transformation of material production into intangible production, and the consumption of services, including tourist services, will increase.

The development of modern computer technology has led to the emergence of new areas of service, the development of tourism infrastructure across the Internet (online booking systems, internet marketing).

Social factors are factors related to people's living conditions. The increase in the number of paid vacations for the development of international tourism, including the division of vacations into two parts, will allow people to travel throughout the year.

Limiting factors can be divided into global and local factors. Global factors include seasonality, political situation, economic and natural conditions. One of the important features of the tourism market is the seasonality of tourist demand and supply.

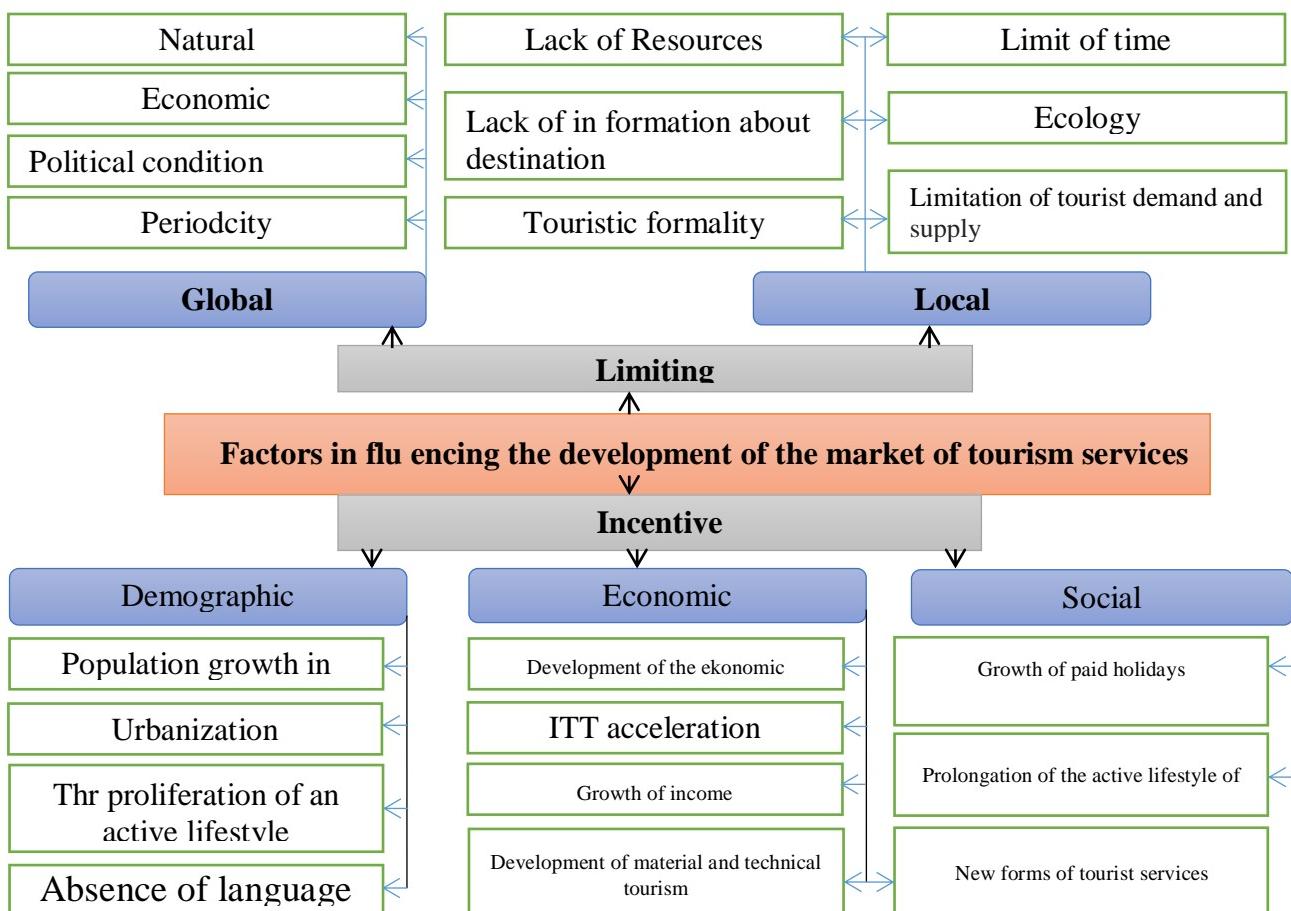


Figure 1. Factors influencing the development of the market of tourism services

Source: author's development

In the last decade, the scientific work of foreign scientists has focused on the seasonality of tourism, as this factor has a significant impact on the development of the tourism market in the regions, the level of which is regulated by state programs in tourism management.

One of the important aspects of seasonality is the inability to meet the tourist offer according to the characteristics of the season and the inability to use the existing production capacity in the "dead" seasons. Related networks also suffer greatly from this problem because they do not have the ability to change their permanent residence in order to get rid of this problem.

The existence of a seasonal factor in the activities of the tourism industry of the country is explained by the climatic conditions of Uzbekistan and the important role of natural and climatic factors in the formation of tourism products. (See Figure 2)

There is a steady trend of domestic tourists to spend their holidays in domestic tourism, mainly in the summer months, during which the volume of travel accounts for 42.8% (June, July and August). The focus is on family vacations - the 2-fold drop in the number of trips in September (from 15.1% in August to 7.8% in September) is explained by the start of the school year, with the average family traveling with a family of 3.

As shown in Figure 2 above, the dynamics of outbound tourist flows are almost unaffected by seasonality in terms of the breadth of the supply spectrum, with 36.7% of tourists traveling to other countries in May, June and July and 44.9% in August, October and November.

The inflow of tourists amounted to 41.3% of the total number of tourists served in April, May and June, 22.1% in October and November (velvet), mainly due to the temperate climate of the year, and its growth rate was mainly seasonal.

The sharp decline in tourist flows in January, February and December is due to the low effectiveness of programs developed by our tour operators and the lack of public events to attract tourists in these months, leading to the loss of family and group travel in the tourism market.

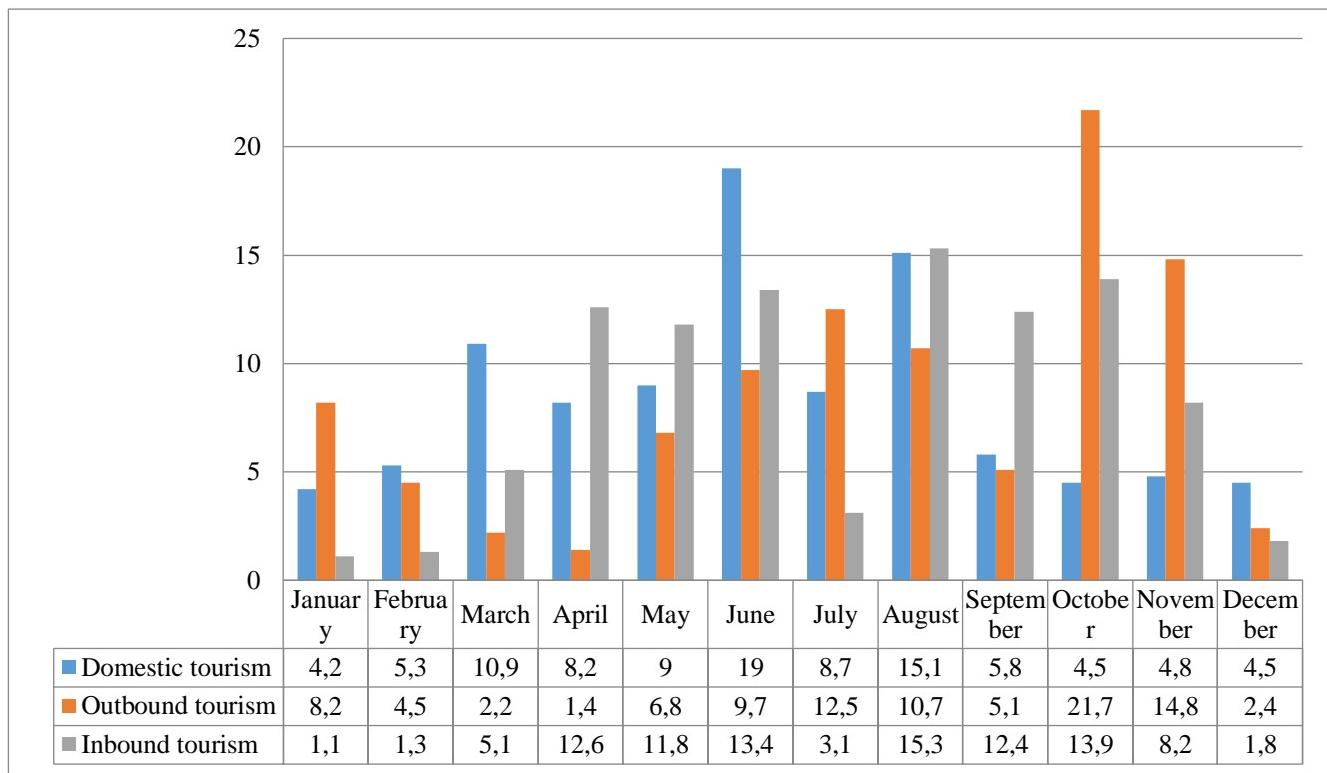


Figure 2. Diagram of the distribution of the number of tourists served in Uzbekistan in 2018 according to the travel season (in% by months) Source: uzbektourism.uz developed by the author

5. Conclusions and Suggestions

Based on the results of our research, the analysis of the factors influencing the development of the market of tourism services allowed to identify the following main problems specific to domestic tourism in the Republic of Uzbekistan:

- Lack of radical changes in planning activities aimed at ensuring the sustainability of enterprises in the tourism industry;
- market value and price of resources are declining due to the lack of reproduction of local tourist resources;
- Loss of market position due to non- competitiveness of tourist services;
- Insufficient use of the tourist potential of the regions.

Factors hindering the development of domestic tourism include: insufficient state support for domestic tourism, declining incomes, low profitability of domestic tours, high prices for products and services of the tourism industry, lack of flights between Samarkand and other regions, and "Uzbekistan Air". The fact that the national airline has a monopoly position in the domestic market does not allow the development and formation of new tourist routes.

As a result of the study, it was suggested that the following tasks should be performed in the application of state regulation of domestic and inbound tourism development in Uzbekistan:

- it is necessary to reduce the trend of seasonality in domestic tourism, where we consider the introduction of a five-day training system more effective, and it should be done;

- in the process of transition to the digital economy, it is necessary to form a regional geographic information system for the development of tourism as an economic and information element;
- it is necessary to apply the experience of developed countries in “digital tourism” and “digital marketing in tourism” to the tourism industry of our country;
- establishment of modern methods and mechanisms of cooperation with other sectors and industries of the economy;
- in the current changing environment it is necessary to introduce a new model of management decisions;
- efficient and rational use of natural and human resources;
- increasing the innovation and investment attractiveness of the tourism market of Uzbekistan.

The main task is to develop domestic and inbound tourism activities in close connection with other sectors of production. Only then will it be possible to identify the problems facing the tourism infrastructure, objectively assess the impact factors and eliminate its negative consequences.

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